

Managerial Economics

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Module II – Advanced Economics Scenarios analysis

PROF. MIGUEL Á. MALO

COURSE AIMS AND INTENDED LEARNING OUTCOMES

The includes some important topics, such as : national output and income and their measurement, unemployment and inflation, growth and stability, interest rates, money, banks, and central banking, international trade, balance of payments and exchange rates, macroeconomic policy alternatives.

This should result in students being able to:

- 1) Intelligently comment on current events correctly using macroeconomic concepts.
- 2) Correctly apply a simple macroeconomic model to predict the results of different economic events and policy changes.
- 3) Knowing the definitions of the parts of national income and balance of payments accounts.
- 4) Knowing the structure, governance, and duties of the European Central Bank.
- 5) Knowing how monetary and fiscal policy work, and the limits placed on using them for members of the Euro Zone.
- 6) Demonstrate an understanding of the functions and determinants of interest rates.

COURSE CONTENT

The course content is organized as it follows:

1. Introduction. Terminology. A simple model.
2. National Output and its measurement.
3. Money. Main concepts. Money “creation” and fractional banking.
4. The importance of economic expectations.
5. A macroeconomic model of the labour market
6. International Trade, Balance of Payments, and exchange rates.
7. The European Central Bank and monetary policy within and without of the Euro zone. From conventional to unconventional monetary policies.
8. Strengths and weaknesses of macroeconomic policy alternatives.

READING LIST¹

- LECTURE SLIDES
- D. A. MOSS, *A Concise Guide to Macroeconomics: What Managers, Executives, and Students Need to Know (2nd edition)*, Harvard Business Review Press, 2014.
- Some additional readings will be indicated in class and in the lecture slides (with clickable links) and posted at the course website.

COURSE METHODOLOGY

The course is structured as a mix of lectures, collective discussion of short pieces from the press and the web. It is therefore important that students come to each class prepared to be active participants.

The course assumes full attendance and active participation in and outside class. Should students have problems in attending, they should please contact the instructor.

ASSESSMENT METHOD AND CRITERIA

Attending students will take a short exam after topic 4 (30% of the total grade of the course) and another short exam just after the last topic of the course covering the rest of the course (30% of the total grade of the course).

A longer test examination covering all the material of the course will give the rest of points to attending students (therefore, 40% of the total grade of the course).

In the case of students not attending class the closed book written exam is worth 100%.

The course evaluation is expressed by means of a grade on a 30-point scale.

NOTES AND PREREQUISITES

Good fluency in conversational English. Moderate fluency in written English. Comfort with numbers and good algebra skills.

Information on office hours will be posted on the teacher's personal page.

¹ I testi indicati nella bibliografia sono acquistabili presso le librerie di Ateneo; è possibile acquistarli anche presso altri rivenditori.